A8740-1.9

59th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1982 Financial Ratios Large Printing Firms

©1982 by Printing Industries of America, Inc.

This material must not be reproduced in whole or in part in any form whatsoever without the express permission of

Printing Industries of America Inc.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR LARGE PRINTERS. This year a total of 104 firms classified as large printers (annual sales volume of $10,000,000 or more) in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 36 firms may be considered "Profit Leaders", earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example $10 to $20 million, $20 to $40 million, etc.; and product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

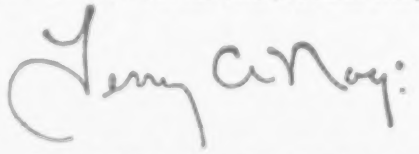
Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

TABLE OF CONTENTS

	Page Number
FOREWORD	2
VALUE ADDED - A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFIT	4- 5
CHAPTER 1 - BY SIZE OF FIRM	6-19
Report on Operations - Value Added = 100%	6- 7
Supporting Schedules - Value Added = 100%	8- 9
Report on Operations - Sales = 100%	10-11
Supporting Schedules - Sales = 100%	10-13
Balance Sheet	14-15
Significant Facts	16-17
Return on Investment - Per $100 of Sales	18-19
CHAPTER 2 - BY PRODUCT SPECIALTY	20-33
Report on Operations - Value Added = 100%	20-21
Supporting Schedules - Value Added = 100%	22-23
Report on Operations - Sales = 100%	24-25
Supporting Schedules - Sales = 100%	24-27
Balance Sheet	28-29
Significant Facts	30-31
Return on Investment - Per $100 of Sales	32-33
ABSOLUTE DATA	34-35

Printing Industries of America, Inc. recognizes that the industry's largest printing firms have some unique needs which are not generally being met in the industry. For this reason PIA has developed programs and services for the benefit of these companies. One of these services is this special ratio study undertaken exclusively for companies of this size. Another effort on the part of PIA to meet the needs of large firms is the Conference Board of Major Printers. Listed below is information regarding this PIA special section.

- CBMP is the only organization dedicated to the needs of the large printers.
- Membership is limited to Chief Executive Officers of selected printing companies.
- CBMP pursues specific projects of special interest to large printers, via special presentations at the Quarterly Meetings, and via monthly *UP-DATE SURVEYS* and *REPORTS* on current topics of interest.
- CBMP represents the interests of the major printers within PIA, by assuring that appropriate PIA programs are offered to its members.
- CBMP provides basic leadership to the printing industry as a whole.
- CBMP studies the impact of government regulations and legislation on the large printing organizations.
- CBMP studies the impact on large printers of suppliers of equipment and materials.
- CBMP strives toward better understanding of customer needs through its own special studies.
- CBMP is comprised of over 40 member companies who produce every type of printed product.



Terry A. Nagi, Executive Director
Conference Board of Major Printers
(703) 841-8168

What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

SALES		$100
LESS: MATERIALS		
Paper	$22	
Other chargeable materials	6	
Outside services	7	
		35
VALUE ADDED		$ 65

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

"Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	46.79	42.47	47.66	42.23
FACTORY EXPENSES	20.09	18.87	20.03	19.82
TOTAL FACTORY COST OF PRODUCT	66.88	61.34	67.69	62.05
GROSS PROFIT	33.12	38.66	32.31	37.95
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.00	8.34	9.83	8.44
Selling expenses	10.58	10.02	11.08	10.37
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.58	18.36	20.91	18.81
INCOME BEFORE INTEREST EXPENSE	12.54	20.30	11.40	19.14
Interest expense	3.33	2.57	3.58	2.66
OPERATING INCOME	9.21	17.73	7.82	16.48
Other income	1.28	1.76	1.45	2.57
INCOME BEFORE INCOME TAXES	10.49	19.49	9.27	19.05

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
45.62	41.78	49.39	47.32	35.81
19.83	17.53	22.32	19.05	20.00
65.45	59.31	71.71	66.37	55.81
34.55	40.69	28.29	33.63	44.19
10.69	8.99	5.94	4.75	13.20
10.06	10.21	5.67	6.82	20.85
20.75	19.20	11.61	11.57	34.05
13.80	21.49	16.68	22.06	10.14
3.09	2.55	2.46	2.04	2.24
10.71	18.94	14.22	20.02	7.90
0.93	0.65	1.97	1.82	1.41
11.64	19.59	16.19	21.84	9.31

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.47%	2.39%	2.55%	2.19%
Direct wages	29.27	27.07	30.65	26.95
General factory salaries and wages	5.75	4.65	5.21	4.77
Packing, shipping and delivery wages	1.67	1.13	1.81	1.21
Payroll taxes	2.68	2.16	2.84	2.37
Employee benefits	4.95	5.07	4.60	4.74
TOTAL FACTORY PAYROLL	46.79	42.47	47.66	42.23
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.51	0.41	0.68	0.57
Depreciation - other	4.44	4.73	4.68	5.10
Taxes - real estate	0.40	0.47	0.40	0.47
Taxes - other	0.27	0.25	0.33	0.35
Insurance	0.41	0.29	0.41	0.33
Building rent	0.86	1.00	0.90	1.14
Utilities - heat, light, etc.	2.29	2.20	2.16	2.23
Equipment rental	0.65	0.63	0.60	0.82
Total Fixed Expenses	9.83	9.98	10.16	11.01
Other Expenses				
Factory supplies and expense	4.07	3.49	3.75	3.71
Packing, shipping and delivery expense	2.11	1.53	1.99	1.14
Repairs and maintenance	2.63	2.44	2.70	2.61
Other factory expenses	1.45	1.43	1.43	1.35
Total Other Expenses	10.26	8.89	9.87	8.81
TOTAL FACTORY EXPENSES	20.09	18.87	20.03	19.82
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.96	1.89	2.05	1.93
Salaries - office	2.58	1.91	2.45	2.00
Payroll taxes	0.29	0.22	0.29	0.25
Employee benefits	0.66	0.64	0.58	0.68
Bad debts	0.63	0.48	0.64	0.34
Office supplies and expenses	0.48	0.35	0.46	0.35
Professional fees	0.68	0.59	0.70	0.63
Taxes - business	0.16	0.17	0.21	0.27
Telephone	0.51	0.41	0.55	0.43
Other administrative expenses	2.05	1.68	1.90	1.56
TOTAL ADMINISTRATIVE EXPENSES	10.00	8.34	9.83	8.44
SELLING EXPENSES				
Salaries - executive	1.07	0.92	1.21	0.97
Salaries and commissions - salesmen	4.75	4.62	5.06	4.51
Salaries - sales office clerical	1.21	0.93	1.35	1.06
Payroll taxes	0.27	0.22	0.30	0.28
Employee benefits	0.55	0.57	0.52	0.59
Advertising	0.42	0.43	0.42	0.33
Travel and entertainment	1.07	0.85	1.14	0.95
Other selling expenses	1.24	1.48	1.08	1.68
TOTAL SELLING EXPENSES	10.58	10.02	11.08	10.37

** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.56%	2.91%	0.92%	1.31%	3.24%
27.47	25.97	32.59	33.05	19.28
5.99	4.12	7.94	6.38	6.11
1.51	1.18	1.19	0.43	2.78
2.56	2.10	1.97	1.07	1.87
5.53	5.50	4.78	5.08	2.53
45.62	41.78	49.39	47.32	35.81
0.28	0.21	0.52	0.35	0.25
4.04	4.18	4.84	5.09	3.41
0.35	0.43	0.60	0.63	0.74
0.21	0.14	0.23	0.14	0.06
0.39	0.25	0.55	0.15	0.64
0.90	0.99	0.11	0.13	1.16
2.47	2.17	2.47	2.12	2.14
0.65	0.37	1.04	0.70	0.92
9.29	8.74	10.36	9.31	9.32
4.43	3.04	5.51	4.08	3.33
2.26	2.14	1.22	1.12	3.74
2.42	2.20	3.49	2.50	2.17
1.43	1.41	1.74	2.04	1.44
10.54	8.79	11.96	9.74	10.68
19.83	17.53	22.32	19.05	20.00
1.94	2.08	0.79	0.69	2.82
2.87	1.92	1.67	1.39	4.11
0.32	0.22	0.10	0.03	0.39
0.82	0.66	0.25	0.31	0.75
0.57	0.68	1.05	0.46	0.50
0.53	0.39	0.28	0.19	0.60
0.73	0.63	0.20	0.16	0.53
0.12	0.06	0.02	0.03	0.19
0.45	0.42	0.26	0.26	0.69
2.34	1.93	1.32	1.23	2.62
10.69	8.99	5.94	4.75	13.20
0.84	0.86	0.66	0.95	3.20
4.47	5.13	2.39	2.79	7.14
0.99	0.73	0.96	1.09	2.68
0.27	0.17	0.08	0.04	0.27
0.60	0.60	0.27	0.31	1.23
0.44	0.57	0.31	0.46	0.30
1.00	0.74	0.54	0.66	1.86
1.45	1.41	0.46	0.52	4.17
10.06	10.21	5.67	6.82	20.85

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	28.00	25.57	25.93	21.80
Other chargeable materials	8.23	9.02	8.50	9.94
Outside services	5.33	5.03	5.89	5.81
TOTAL MATERIAL	41.56	39.62	40.32	37.55
FACTORY PAYROLL	27.35	25.78	28.43	26.52
FACTORY EXPENSES	11.66	11.30	11.87	12.31
TOTAL FACTORY COST OF PRODUCT	80.57	76.70	80.62	76.38
GROSS PROFIT	19.43	23.30	19.38	23.62
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.93	5.20	5.90	5.38
Selling expenses	6.26	6.16	6.69	6.64
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.19	11.36	12.59	12.02
INCOME BEFORE INTEREST EXPENSE	7.24	11.94	6.79	11.60
Interest expense	1.83	1.43	1.99	1.46
OPERATING INCOME	5.41	10.51	4.80	10.14
Other income	0.72	1.06	0.86	1.62
INCOME BEFORE INCOME TAXES	6.13	11.57	5.66	11.76

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	4.67%	5.24%	4.13%	4.51%
Film	0.98	1.04	1.54	1.81
Plates	1.26	1.07	1.43	1.22
Other chargeable materials	1.32	1.67	1.40	2.40
TOTAL OTHER CHARGEABLE MATERIALS	8.23	9.02	8.50	9.94
OUTSIDE SERVICES				
Composition	0.23	0.09	0.32	0.13
Offset preparation	0.95	0.83	1.18	0.95
Printing	0.73	0.69	0.99	0.91
Binding	1.54	1.58	1.40	1.16
Other outside services	1.88	1.84	2.00	2.66
TOTAL OUTSIDE SERVICES	5.33	5.03	5.89	5.81

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
30.32	29.44	33.85	31.43	29.59
7.56	7.37	10.43	10.94	7.10
4.99	4.53	2.98	2.41	3.43
42.87	41.34	47.26	44.78	40.12
26.14	24.70	25.92	26.09	21.25
11.25	10.10	11.68	10.50	11.94
80.26	76.14	84.86	81.37	73.31
19.74	23.86	15.14	18.63	26.69
6.27	5.51	3.10	2.61	7.84
5.77	6.01	3.03	3.76	12.68
12.04	11.52	6.13	6.37	20.52
7.70	12.34	9.01	12.26	6.17
1.65	1.47	1.30	1.14	1.33
6.05	10.87	7.71	11.12	4.84
0.46	0.32	1.03	0.98	0.81
6.51	11.19	8.74	12.10	5.65
4.90%	5.42%	6.49%	7.12%	4.25%
0.48	0.28	0.47	0.79	0.76
1.05	1.05	1.58	0.80	0.71
1.13	0.62	1.89	2.23	1.38
7.56	7.37	10.43	10.94	7.10
0.13	0.07	0.29	0.01	0.07
0.64	0.69	1.10	0.71	0.79
0.48	0.47	0.38	0.53	0.70
1.83	2.06	0.36	0.58	1.41
1.91	1.24	0.85	0.58	0.46
4.99	4.53	2.98	2.41	3.43

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.45%	1.45%	1.51%	1.32%
Direct wages	17.01	16.31	18.13	16.83
General factory salaries and wages	3.39	2.87	3.21	3.11
Packing, shipping and delivery wages	0.95	0.68	1.06	0.76
Payroll taxes	1.58	1.36	1.70	1.53
Employee benefits	2.97	3.11	2.82	2.97
TOTAL FACTORY PAYROLL	27.35	25.78	28.43	26.52
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.30	0.25	0.40	0.36
Depreciation - other	2.54	2.81	2.78	3.12
Taxes - real estate	0.23	0.26	0.23	0.28
Taxes - other	0.17	0.16	0.21	0.23
Insurance	0.24	0.17	0.25	0.21
Building rent	0.50	0.62	0.52	0.70
Utilities - heat, light, etc.	1.34	1.31	1.29	1.38
Equipment rental	0.38	0.39	0.36	0.50
Total Fixed Expenses	5.70	5.97	6.04	6.78
Other Expenses				
Factory supplies and expense	2.35	2.07	2.21	2.32
Packing, shipping and delivery expense	1.22	0.88	1.14	0.70
Repairs and maintenance	1.51	1.47	1.59	1.62
Other factory expenses	0.88	0.91	0.89	0.89
Total Other Expenses	5.96	5.33	5.83	5.53
TOTAL FACTORY EXPENSES	11.66	11.30	11.87	12.31
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.15	1.17	1.24	1.25
Salaries - office	1.53	1.18	1.46	1.26
Payroll taxes	0.17	0.14	0.17	0.16
Employee benefits	0.39	0.40	0.36	0.45
Bad debts	0.37	0.33	0.36	0.22
Office supplies and expenses	0.28	0.21	0.27	0.22
Professional fees	0.41	0.37	0.42	0.39
Taxes - business	0.10	0.11	0.13	0.18
Telephone	0.30	0.25	0.33	0.27
Other administrative expenses	1.23	1.04	1.16	0.98
TOTAL ADMINISTRATIVE EXPENSES	5.93	5.20	5.90	5.38
SELLING EXPENSES				
Salaries - executive	0.65	0.56	0.74	0.60
Salaries and commissions - salesmen	2.77	2.79	3.05	2.95
Salaries - sales office clerical	0.70	0.55	0.79	0.66
Payroll taxes	0.16	0.14	0.18	0.18
Employee benefits	0.33	0.35	0.32	0.38
Advertising	0.27	0.29	0.27	0.22
Travel and entertainment	0.63	0.54	0.68	0.60
Other selling expenses	0.75	0.94	0.66	1.05
TOTAL SELLING EXPENSES	6.26	6.16	6.69	6.64

** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.49%	1.77%	0.50%	0.73%	1.95%
15.70	15.20	17.16	18.22	11.38
3.36	2.40	4.12	3.49	3.72
0.82	0.66	0.59	0.23	1.60
1.49	1.30	1.02	0.61	1.09
3.28	3.37	2.53	2.81	1.51
26.14	24.70	25.92	26.09	21.25
0.16	0.12	0.27	0.20	0.15
2.26	2.39	2.58	2.82	2.00
0.19	0.22	0.31	0.35	0.44
0.11	0.08	0.12	0.07	0.04
0.22	0.15	0.29	0.08	0.37
0.52	0.62	0.06	0.07	0.67
1.40	1.25	1.30	1.17	1.25
0.38	0.23	0.55	0.39	0.53
5.24	5.06	5.48	5.15	5.45
2.49	1.66	2.89	2.26	1.96
1.33	1.20	0.62	0.61	2.32
1.34	1.28	1.76	1.39	1.30
0.85	0.90	0.93	1.09	0.91
6.01	5.04	6.20	5.35	6.49
11.25	10.10	11.68	10.50	11.94
1.08	1.24	0.40	0.38	1.67
1.70	1.14	0.87	0.76	2.44
0.19	0.14	0.05	0.02	0.23
0.47	0.39	0.14	0.17	0.44
0.37	0.49	0.55	0.25	0.30
0.31	0.23	0.15	0.10	0.35
0.44	0.40	0.10	0.09	0.31
0.06	0.03	0.01	0.02	0.11
0.25	0.24	0.14	0.14	0.40
1.40	1.21	0.69	0.68	1.59
6.27	5.51	3.10	2.61	7.84
0.48	0.50	0.36	0.53	1.97
2.50	2.84	1.25	1.52	4.35
0.56	0.40	0.51	0.61	1.63
0.15	0.11	0.04	0.02	0.16
0.34	0.35	0.15	0.17	0.76
0.29	0.40	0.17	0.25	0.17
0.58	0.48	0.30	0.37	1.11
0.87	0.93	0.25	0.29	2.53
5.77	6.01	3.03	3.76	12.68

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.01%	3.90%	3.41%	4.53%
Receivables	30.76	30.34	30.57	29.50
Inventories	17.43	16.35	16.64	15.17
Other current assets	5.27	5.69	5.28	6.28
TOTAL CURRENT ASSETS	56.47	56.28	55.90	55.48
FIXED ASSETS				
Real estate	14.06	12.87	13.99	13.28
Less: Accumulated depreciation	3.97	3.33	3.85	4.04
	10.09	9.54	10.14	9.24
Machinery and equipment	54.40	53.58	55.70	53.52
Less: Accumulated depreciation	27.58	24.75	27.91	23.88
	26.82	28.83	27.79	29.64
Other fixed assets	3.46	3.20	3.29	2.68
Less: Accumulated depreciation	1.47	1.55	1.37	1.27
	1.99	1.65	1.92	1.41
NET FIXED ASSETS	38.90	40.02	39.85	40.29
OTHER ASSETS	4.63	3.70	4.25	4.23
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.83	7.18	7.02	6.73
Accounts payable	13.09	11.01	13.36	11.11
Other current liabilities	10.42	10.64	10.07	10.25
TOTAL CURRENT LIABILITIES	30.34	28.83	30.45	28.09
LONG-TERM LIABILITIES	22.58	15.35	22.50	14.86
TOTAL LIABILITIES	52.92	44.18	52.95	42.95
SHAREHOLDERS' AND PROPRIETORS' EQUITY	47.08	55.82	47.05	57.05
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.86	1.95	1.84	1.98
QUICK RATIO	1.29	1.39	1.29	1.44
TOTAL LIABILITIES TO EQUITY	1.12	0.79	1.13	0.75
LONG-TERM LIABILITIES TO EQUITY	0.48	0.27	0.48	0.26
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.46	0.50	0.45

** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.88%	3.47%	0.16%	1.92%	1.48%
31.81	32.49	23.34	25.55	33.04
18.73	17.98	16.76	16.26	20.83
4.19	3.52	15.12	12.09	3.70
57.61	57.46	55.38	55.82	59.05
14.06	12.32	15.37	12.89	9.91
3.81	1.99	6.55	5.09	3.48
10.25	10.33	8.82	7.80	6.43
50.81	50.22	61.86	69.64	54.96
26.28	23.54	32.78	35.94	23.52
24.53	26.68	29.08	33.70	31.44
4.13	4.31	1.45	1.40	2.44
1.75	2.10	0.81	0.81	1.44
2.38	2.21	0.64	0.59	1.00
37.16	39.22	38.54	42.09	38.87
5.23	3.32	6.08	2.09	2.08
100.00	100.00	100.00	100.00	100.00
6.51	6.89	7.72	11.43	7.36
12.98	10.62	11.09	12.30	15.26
11.91	12.35	5.82	5.14	4.45
31.40	29.86	24.63	28.87	27.07
22.75	16.25	18.96	14.19	23.23
54.15	46.11	43.59	43.06	50.30
45.85	53.89	56.41	56.94	49.70
100.00	100.00	100.00	100.00	100.00
1.83	1.92	2.25	1.93	2.18
1.24	1.32	1.57	1.37	1.41
1.18	0.86	0.77	0.76	1.01
0.50	0.30	0.34	0.25	0.47
0.52	0.47	0.53	0.52	0.43

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 48,542	$ 54,165	$ 42,645	$ 48,849
Average assets per factory employee (Excluding Executives)	76,122	82,024	53,145	58,451
Average net worth per employee - All employees	21,236	28,606	18,397	25,000
Average gross plant investment per factory employee (Excluding Executives)	48,906	54,908	37,207	40,945
Net worth percentage of fixed assets	140.54%	164.84%	134.05%	166.41%
EMPLOYEES				
Percent factory - All employees	82.78%	83.86%	84.15%	85.86%
Percent administrative - All employees	9.09	8.29	7.94	7.12
Percent sales - All employees	8.13	7.85	7.91	7.02
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 84,728	$ 95,532	$ 74,250	$ 82,680
Sales per factory employee	112,830	124,604	88,430	96,053
Sales less material per factory employee	64,546	72,846	51,178	57,722
Sales per administrative employee	1,147,977	1,368,922	1,080,377	1,260,520
EXCLUDING EXECUTIVES				
Sales per employee - All employees	91,368	104,280	78,168	86,542
Sales per factory employee	131,754	144,582	91,619	99,008
Sales less material per factory employee	75,679	84,836	53,043	59,477
SALES PER SALESMAN	1,832,849	1,912,156	1,317,775	1,165,029
SALES TO CURRENT ASSETS	350%	340%	351%	329%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.22%	33.06%	36.74%	34.41%
Factory payroll percentage of gross plant investment	77.99	75.72	79.63	73.53
Payroll per employee - All employees	$ 28,628	$ 30,294	$ 25,850	$ 26,249
Payroll per factory employee	29,363	31,562	23,789	23,775
Payroll per administrative employee	29,838	30,780	30,077	33,122
Payroll per sales employee	48,638	53,523	46,558	50,949
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 23,241	$ 24,771	$ 20,637	$ 20,450
Payroll per factory employee	26,604	28,774	19,523	19,092
Payroll per administrative employee	15,478	15,180	15,112	16,117
Payroll per sales employee	41,038	46,182	39,368	42,603
EXECUTIVE PAYROLL				
Payroll per executive - All executives	54,517	49,903	56,741	55,849
Payroll per factory executive	42,191	36,480	44,594	40,290
Payroll per administrative executive	69,237	65,520	70,364	66,961
Payroll per sales executive	59,723	54,402	60,274	57,134
RECEIVABLES				
Collection period	62.4	62.2	63.0	63.2
PROFIT				
Gross profit percentage of sales	19.43%	23.30%	19.38%	23.62%
Average gross profit per factory employee	$ 26,408	$ 31,897	$ 17,700	$ 22,992
Income before taxes percentage of sales	6.13%	11.57%	5.66%	11.76%
Average income before taxes per employee	$ 5,448	$ 10,959	$ 4,403	$ 9,652

** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 57,665	$ 62,546	$ 54,618	$ 48,719	$ 37,708
114,813	119,616	61,794	55,884	61,643
24,441	33,481	32,112	28,695	18,487
67,642	75,473	47,477	47,375	41,168
149.29%	168.19%	152.57%	139.30%	161.34%
80.37%	80.06%	89.69%	89.04%	67.87%
11.23	10.61	5.19	4.78	12.54
8.40	9.33	5.12	6.18	19.59
$ 101,578	$ 114,039	$ 87,027	$ 90,564	$ 68,786
153,413	168,132	97,481	102,303	104,130
87,189	96,961	51,259	56,098	62,771
1,196,456	1,375,877	1,794,820	2,023,012	582,671
113,036	130,672	89,088	93,457	76,701
199,636	215,130	98,592	103,992	114,231
114,393	125,209	51,871	57,037	68,956
2,127,041	2,031,389	5,181,148	5,001,305	960,852
352%	354%	321%	339%	322%
33.63%	31.82%	29.69%	30.27%	34.90%
79.82	82.59	55.86	57.51	57.09
$ 33,535	$ 36,376	$ 25,930	$ 27,531	$ 24,008
38,950	43,163	25,283	26,743	21,518
30,193	28,616	25,063	26,045	26,439
53,002	59,081	40,442	43,887	41,834
$ 27,680	$ 30,910	$ 22,010	$ 23,485	$ 19,243
38,699	43,139	21,693	23,063	18,349
15,672	13,507	16,712	17,048	16,726
44,414	52,616	35,341	38,830	34,691
52,437	42,967	51,245	44,613	39,887
39,032	30,129	46,431	41,993	26,082
68,574	63,556	66,875	65,553	59,287
60,603	52,086	48,529	47,905	51,689
62.5	63.1	52.6	51.4	66.6
19.74%	23.86%	15.14%	18.63%	26.69%
$ 41,250	$ 46,764	$ 14,928	$ 18,909	$ 31,954
6.51%	11.19%	8.74%	12.10%	5.65%
$ 6,842	$ 12,782	$ 7,666	$ 10,729	$ 3,886

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.65	$ 2.33	$ 2.06	$ 2.91
Receivables	16.57	16.55	16.80	16.97
Inventories	9.30	8.82	8.66	8.67
Marketable securities	1.50	2.19	2.32	3.08
Other current assets	2.14	1.31	1.25	1.09
	31.16	31.20	31.09	32.72
Plant Investment:				
Land and building	8.17	7.26	8.02	7.41
Machinery and equipment	30.25	31.22	30.98	32.59
Other fixed assets	1.83	1.63	1.80	1.48
	40.25	40.11	40.80	41.48
Non-Current Assets	3.29	2.47	3.04	3.07
TOTAL INVESTMENT	74.70	73.78	74.93	77.27
INVESTMENT TURNOVER PER $100 OF SALES	133.87%	135.54%	133.46%	129.42%
EARNINGS				
Cost of Product	$80.57	$76.70	$80.62	$76.38
Selling Expenses	6.26	6.16	6.69	6.64
Administrative Expenses	5.93	5.20	5.90	5.38
	92.76	88.06	93.21	88.40
Income Before Interest, Other Income and Taxes	7.24	11.94	6.79	11.60
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.69%	16.18%	9.06%	15.01%

** Sample insufficient for "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 1.40	$ 1.80	$(0.77)	$ 1.07	$ 0.87
16.52	16.58	13.03	13.72	17.85
10.13	9.05	10.70	8.72	10.91
0.34	0.88	1.61	2.68	0.00
2.50	1.09	10.02	3.83	2.15
30.89	29.40	35.49	30.02	31.78
8.32	7.12	9.58	6.99	5.36
27.99	27.98	37.25	37.57	30.37
2.07	2.02	1.02	0.75	1.35
38.38	37.12	47.85	45.31	37.08
3.79	1.95	3.94	1.13	1.07
73.06	68.47	87.28	76.46	69.93
136.87%	146.05%	114.57%	130.79%	143.00%
$80.26	$76.14	$84.86	$81.37	$73.31
5.77	6.01	3.03	3.76	12.68
6.27	5.51	3.10	2.61	7.84
92.30	87.66	90.99	87.74	93.83
7.70	12.34	9.01	12.26	6.17
10.54%	18.02%	10.32%	16.03%	8.82%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.98	41.76	50.35	45.99
FACTORY EXPENSES	19.05	18.61	21.06	19.93
TOTAL FACTORY COST OF PRODUCT	65.03	60.37	71.41	65.92
GROSS PROFIT	34.97	39.63	28.59	34.08
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.41	8.00	8.50	7.23
Selling expenses	12.66	10.85	7.20	7.30
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.07	18.85	15.70	14.53
INCOME BEFORE INTEREST EXPENSE	12.90	20.78	12.89	19.55
Interest expense	3.72	2.44	3.19	2.97
OPERATING INCOME	9.18	18.34	9.70	16.58
Other income (expense)	1.64	1.83	1.44	2.35
INCOME BEFORE INCOME TAXES	10.82	20.17	11.14	18.93

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43.72	44.22	37.39	46.20	45.84	53.58	47.45
21.63	16.16	18.50	21.19	18.32	16.16	23.56
65.35	60.38	55.89	67.39	64.16	69.74	71.01
34.65	39.62	44.11	32.61	35.84	30.26	28.99
15.26	10.66	14.26	11.71	10.47	9.57	10.58
5.16	13.24	7.78	9.70	10.69	9.72	11.12
20.42	23.90	22.04	21.41	21.16	19.29	21.70
14.23	15.72	22.07	11.20	14.68	10.97	7.29
4.80	1.57	9.36	2.01	0.62	4.12	1.94
9.43	14.15	12.71	9.19	14.06	6.85	5.35
0.36	(4.07)	3.83	1.90	2.76	(4.19)	2.38
9.79	10.08	16.54	11.09	16.82	2.66	7.73

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.41%	2.15%	2.53%	2.00%
Direct wages	29.23	26.52	32.09	31.38
General factory salaries and wages	5.70	5.05	5.99	4.34
Packing, shipping and delivery wages	1.82	1.26	1.15	0.95
Payroll taxes	2.56	1.96	3.06	2.56
Employee benefits	4.26	4.82	5.53	4.76
TOTAL FACTORY PAYROLL	45.98	41.76	50.35	45.99
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.48	0.40	0.40	0.34
Depreciation - other	4.76	4.83	4.83	5.63
Taxes - real estate	0.44	0.48	0.28	0.29
Taxes - other	0.24	0.22	0.28	0.27
Insurance	0.44	0.27	0.40	0.34
Building rent	1.19	1.24	0.75	0.83
Utilities - heat, light, etc.	2.14	2.22	2.82	2.49
Equipment rental	0.49	0.32	0.71	0.43
Total Fixed Expenses	10.18	9.98	10.47	10.62
Other Expenses				
Factory supplies and expense	3.64	3.61	5.16	4.70
Packing, shipping and delivery expense	1.70	1.65	1.58	0.92
Repairs and maintenance	2.19	2.18	2.60	2.76
Other factory expenses	1.34	1.19	1.25	0.93
Total Other Expenses	8.87	8.63	10.59	9.31
TOTAL FACTORY EXPENSES	19.05	18.61	21.06	19.93
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.02	1.77	1.76	1.95
Salaries - office	2.28	1.91	2.30	1.53
Payroll taxes	0.28	0.21	0.28	0.23
Employee benefits	0.61	0.61	0.72	0.76
Bad debts	0.61	0.32	0.49	0.26
Office supplies and expenses	0.41	0.32	0.57	0.40
Professional fees	0.70	0.60	0.51	0.43
Taxes - business	0.14	0.17	0.08	0.15
Telephone	0.57	0.47	0.39	0.33
Other administrative expenses	1.79	1.62	1.40	1.19
TOTAL ADMINISTRATIVE EXPENSES	9.41	8.00	8.50	7.23
SELLING EXPENSES				
Salaries - executive	1.20	0.72	0.69	0.86
Salaries and commissions - salesmen	6.28	5.80	2.93	3.15
Salaries - sales office clerical	1.16	0.79	1.03	0.66
Payroll taxes	0.29	0.21	0.24	0.21
Employee benefits	0.62	0.61	0.49	0.47
Advertising	0.48	0.41	0.29	0.34
Travel and entertainment	1.24	0.78	0.73	0.69
Other selling expenses	1.39	1.53	0.80	0.92
TOTAL SELLING EXPENSES	12.66	10.85	7.20	7.30

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.47%	3.82%	1.15%	2.55%	3.43%	2.56%	1.27%
27.51	24.48	27.43	27.89	25.63	24.78	30.09
3.88	5.29	3.37	5.79	6.71	11.43	4.96
5.21	0.00	0.29	1.70	1.26	0.89	2.46
2.21	2.45	2.33	2.85	2.64	3.51	2.65
2.44	8.18	2.82	5.42	6.17	10.41	6.02
43.72	44.22	37.39	46.20	45.84	53.58	47.45
1.61	0.21	0.42	0.60	0.65	0.75	0.41
2.82	1.56	7.49	3.68	3.46	3.56	3.09
0.13	0.38	0.15	0.45	0.47	0.36	0.96
0.13	0.00	0.01	0.55	0.59	0.40	0.21
0.51	0.16	0.75	0.47	0.36	0.20	0.31
0.68	0.80	0.03	0.23	0.09	0.00	1.38
1.46	1.73	3.89	2.06	1.75	1.88	1.93
0.22	1.37	0.03	0.70	0.19	0.26	0.31
7.56	6.21	12.77	8.74	7.56	7.41	8.60
3.68	5.28	1.46	4.10	1.85	3.34	3.22
6.26	0.19	1.16	1.79	2.01	2.77	5.83
3.78	1.46	3.77	3.57	2.69	1.76	3.38
0.35	3.02	(0.66)	2.99	4.21	0.88	2.53
14.07	9.95	5.73	12.45	10.76	8.75	14.96
21.63	16.16	18.50	21.19	18.32	16.16	23.56
2.97	1.22	1.25	2.19	2.14	3.01	1.64
5.65	2.46	3.43	3.38	3.00	2.33	4.01
0.54	0.24	0.33	0.35	0.30	0.25	0.43
0.67	0.83	0.96	0.77	0.78	0.79	0.62
0.53	3.46	0.42	0.92	0.58	0.18	0.55
0.56	0.33	1.64	0.38	0.45	0.41	0.29
1.66	0.34	1.41	0.54	0.64	0.27	0.48
0.69	0.16	0.27	0.30	0.38	0.03	0.01
0.54	0.27	0.67	0.57	0.47	0.58	0.52
1.45	1.35	3.88	2.31	1.73	1.72	2.03
15.26	10.66	14.26	11.71	10.47	9.57	10.58
0.43	0.66	0.00	0.73	0.90	1.49	2.08
1.72	7.13	2.92	3.65	4.01	5.21	3.27
0.48	1.12	0.96	1.85	2.26	0.73	1.21
0.13	0.30	0.20	0.34	0.31	0.19	0.26
0.15	0.45	0.00	0.68	0.79	0.47	0.47
0.86	1.30	0.16	0.21	0.22	0.16	0.54
1.06	0.86	1.81	0.98	1.10	0.66	1.81
0.33	1.42	1.73	1.26	1.10	0.81	1.48
5.16	13.24	7.78	9.70	10.69	9.72	11.12

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	27.43	28.16	28.94	26.06
Other chargeable materials	7.29	6.64	8.14	9.15
Outside services	7.70	6.73	3.99	3.12
TOTAL MATERIAL	42.42	41.53	41.07	38.33
FACTORY PAYROLL	26.50	24.53	29.57	28.28
FACTORY EXPENSES	10.84	10.74	12.42	12.45
TOTAL FACTORY COST OF PRODUCT	79.76	76.80	83.06	79.06
GROSS PROFIT	20.24	23.20	16.94	20.94
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.47	4.84	4.99	4.47
Selling expenses	7.39	6.52	4.23	4.48
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.86	11.36	9.22	8.95
INCOME BEFORE INTEREST EXPENSE	7.38	11.84	7.72	11.99
Interest expense	2.04	1.35	1.85	1.87
OPERATING INCOME	5.34	10.49	5.87	10.12
Other income (expense)	0.86	1.04	0.90	1.52
INCOME BEFORE INCOME TAXES	6.20	11.53	6.77	11.64

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	4.53%	4.57%	4.99%	5.85%
Film	0.82	0.64	0.99	0.77
Plates	0.95	0.70	1.28	0.86
Other chargeable materials	0.99	0.73	0.88	1.67
TOTAL OTHER CHARGEABLE MATERIALS	7.29	6.64	8.14	9.15
OUTSIDE SERVICES				
Composition	0.31	0.05	0.11	0.03
Offset preparation	1.66	1.45	0.72	0.38
Printing	0.81	0.86	0.60	0.40
Binding	2.83	2.35	0.67	0.77
Other outside services	2.09	2.02	1.89	1.54
TOTAL OUTSIDE SERVICES	7.70	6.73	3.99	3.12

** Sample insufficient for Profit Leaders.
*** Information not submitted.

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
39.76	16.19	19.25	25.42	22.54	31.34	32.84
7.66	6.64	34.02	12.80	9.37	3.35	3.11
1.12	0.00	1.19	3.31	3.18	3.97	7.79
48.54	22.83	54.46	41.53	35.09	38.66	43.74
21.17	34.03	17.08	27.09	29.75	34.27	26.58
11.77	11.75	8.58	12.11	11.81	9.74	13.36
81.48	68.61	80.12	80.73	76.65	82.67	83.68
18.52	31.39	19.88	19.27	23.35	17.33	16.32
8.86	8.36	7.02	6.88	6.76	5.54	6.02
2.92	10.17	3.72	5.78	7.02	5.45	6.50
11.78	18.53	10.74	12.66	13.78	10.99	12.52
6.74	12.86	9.14	6.61	9.57	6.34	3.80
2.21	1.14	4.12	1.03	0.40	2.46	1.06
4.53	11.72	5.02	5.58	9.17	3.88	2.74
0.26	(2.93)	1.89	1.17	1.81	(2.12)	1.37
4.79	8.79	6.91	6.75	10.98	1.76	4.11
4.83%		21.21%	2.27%	0.49%	0.97%	2.23%
0.61		2.37	2.40	2.59	0.29	0.19
1.02		3.39	3.13	2.06	0.28	0.37
1.20		7.05	5.00	4.23	1.81	0.32
7.66	***	34.02	12.80	9.37	3.35	3.11
		0.00	0.45	0.33	0.01	0.50
		0.30	0.03	0.03	0.73	0.45
		0.04	0.40	0.40	2.18	2.97
		0.34	1.79	1.64	0.82	0.73
		0.51	0.64	0.78	0.23	3.14
***	***	1.19	3.31	3.18	3.97	7.79

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.40%	1.27%	1.40%	1.12%
Direct wages	16.78	15.46	18.96	19.39
General factory salaries and wages	3.27	2.99	3.47	2.68
Packing, shipping and delivery wages	1.05	0.72	0.69	0.61
Payroll taxes	1.49	1.22	1.82	1.62
Employee benefits	2.51	2.87	3.23	2.86
TOTAL FACTORY PAYROLL	26.50	24.53	29.57	28.28
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.29	0.25	0.23	0.20
Depreciation - other	2.70	2.75	2.89	3.54
Taxes - real estate	0.24	0.26	0.16	0.17
Taxes - other	0.14	0.14	0.17	0.18
Insurance	0.26	0.17	0.23	0.21
Building rent	0.68	0.73	0.45	0.58
Utilities - heat, light, etc.	1.23	1.28	1.67	1.55
Equipment rental	0.28	0.19	0.41	0.26
Total Fixed Expenses	5.82	5.77	6.21	6.69
Other Expenses				
Factory supplies and expense	2.05	2.05	3.02	2.88
Packing, shipping and delivery expense	0.94	0.90	0.92	0.57
Repairs and maintenance	1.24	1.26	1.54	1.76
Other factory expenses	0.79	0.76	0.73	0.55
Total Other Expenses	5.02	4.97	6.21	5.76
TOTAL FACTORY EXPENSES	10.84	10.74	12.42	12.45
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.19	1.07	1.06	1.23
Salaries - office	1.32	1.13	1.33	0.92
Payroll taxes	0.16	0.14	0.17	0.15
Employee benefits	0.36	0.38	0.43	0.47
Bad debts	0.32	0.18	0.28	0.17
Office supplies and expenses	0.23	0.18	0.34	0.26
Professional fees	0.41	0.38	0.29	0.25
Taxes - business	0.08	0.10	0.05	0.10
Telephone	0.33	0.27	0.23	0.21
Other administrative expenses	1.07	1.01	0.81	0.71
TOTAL ADMINISTRATIVE EXPENSES	5.47	4.84	4.99	4.47
SELLING EXPENSES				
Salaries - executive	0.72	0.42	0.40	0.54
Salaries and commissions - salesmen	3.62	3.43	1.72	1.93
Salaries - sales office clerical	0.66	0.46	0.58	0.35
Payroll taxes	0.18	0.14	0.14	0.13
Employee benefits	0.37	0.38	0.28	0.27
Advertising	0.29	0.26	0.18	0.22
Travel and entertainment	0.73	0.49	0.43	0.43
Other selling expenses	0.82	0.94	0.50	0.61
TOTAL SELLING EXPENSES	7.39	6.52	4.23	4.48

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.09%	3.00%	0.48%	1.59%	2.23%	1.50%	0.72%
13.22	18.65	12.60	16.25	16.64	15.25	16.35
2.02	3.98	1.62	3.44	4.40	7.88	3.14
2.48	0.00	0.14	0.97	0.83	0.50	1.34
1.11	1.86	1.07	1.65	1.71	2.21	1.57
1.25	6.54	1.17	3.19	3.94	6.93	3.46
21.17	34.03	17.08	27.09	29.75	34.27	26.58
0.79	0.14	0.18	0.35	0.43	0.43	0.28
1.46	1.13	3.47	2.14	2.26	2.07	1.76
0.07	0.26	0.06	0.26	0.31	0.22	0.54
0.08	0.00	0.00	0.31	0.39	0.29	0.14
0.24	0.11	0.36	0.28	0.23	0.13	0.19
0.32	0.66	0.01	0.12	0.03	0.00	0.72
0.77	1.27	1.81	1.19	1.15	1.17	1.10
0.10	1.01	0.01	0.37	0.12	0.17	0.16
3.83	4.58	5.90	5.02	4.92	4.48	4.89
1.99	3.78	0.61	2.23	1.22	2.03	1.81
4.00	0.14	0.57	1.05	1.26	1.59	3.17
1.77	1.05	1.76	2.01	1.74	1.02	1.92
0.18	2.20	(0.26)	1.80	2.67	0.62	1.57
7.94	7.17	2.68	7.09	6.89	5.26	8.47
11.77	11.75	8.58	12.11	11.81	9.74	13.36
1.46	0.96	0.61	1.21	1.37	1.78	0.95
3.60	1.88	1.69	2.04	1.95	1.35	2.26
0.33	0.18	0.16	0.20	0.19	0,14	0.25
0.41	0.63	0.47	0.45	0.50	0.44	0.35
0.30	2.82	0.21	0.54	0.38	0.10	0.29
0.29	0.24	0.81	0.22	0.29	0.24	0.16
1.01	0.26	0.70	0.32	0.41	0.15	0.28
0.36	0.11	0.13	0.19	0.25	0.02	0.00
0.29	0.20	0.33	0.33	0.30	0.35	0.31
0.81	1.08	1.91	1.38	1.12	0.97	1 17
8.86	8.36	7.02	6.88	6.76	5.54	6.02
0.21	0.50	0.00	0.45	0.59	0.93	1.15
0.89	5.41	1.35	2.14	2.65	2.81	1.93
0.32	0.79	0.48	1.12	1.48	0.38	0.70
0.07	0.22	0.10	0.20	0.20	0.10	0.16
0.09	0.34	0.00	0.40	0.50	0.27	0.28
0.61	1.09	0.08	0.13	0.15	0.10	0.35
0.53	0.69	0.89	0.60	0.72	0.39	1.06
0.20	1.13	0.82	0.74	0.73	0.47	0.87
2.92	10.17	3.72	5.78	7.02	5.45	6.50

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.98%	2.88%	4.21%	7.43%
Receivables	31.94	30.15	27.49	23.97
Inventories	15.89	15.21	15.48	11.55
Other current assets	3.88	4.75	5.96	9.27
TOTAL CURRENT ASSETS	54.69	52.99	53.14	52.22
FIXED ASSETS				
Real estate	11.41	11.79	15.10	11.98
Less: Accumulated depreciation	2.37	2.30	5.17	3.10
	9.04	9.49	9.93	8.88
Machinery and equipment	53.69	56.11	66.56	61.77
Less: Accumulated depreciation	23.61	23.64	36.68	28.94
	30.08	32.47	29.88	32.83
Other fixed assets	3.24	3.48	4.36	1.93
Less: Accumulated depreciation	1.43	1.76	1.48	0.62
	1.81	1.72	2.88	1.31
NET FIXED ASSETS	40.93	43.68	42.69	43.02
OTHER ASSETS	4.38	3.33	4.17	4.76
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	9.84	9.50	4.02	4.04
Accounts payable	13.61	11.14	10.52	8.62
Other current liabilities	11.16	10.66	9.52	8.36
TOTAL CURRENT LIABILITIES	34.61	31.30	24.06	21.02
LONG-TERM LIABILITIES	23.74	17.31	25.39	23.07
TOTAL LIABILITIES	58.35	48.61	49.45	44.09
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.65	51.39	50.55	55.91
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.58	1.69	2.21	2.48
QUICK RATIO	1.12	1.21	1.57	1.93
TOTAL LIABILITIES TO EQUITY	1.40	0.95	0.98	0.79
LONG-TERM LIABILITIES TO EQUITY	0.57	0.34	0.50	0.41
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.44	0.42	0.55	0.47

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
7.86%	(0.17)%	5.71%	0.50%	1.56%	0.11%	1.00%
41.77	50.53	25.76	32.90	33.93	11.55	35.02
11.31	22.82	11.34	17.49	15.91	20.02	34.29
2.61	2.25	2.98	6.92	5.38	16.47	1.11
63.55	75.43	45.79	57.81	56.78	48.15	71.42
13.69	10.84	24.80	19.05	23.23	22.32	10.75
3.00	2.15	2.97	6.82	8.62	7.00	5.08
10.69	8.69	21.83	12.23	14.61	15.32	5.67
35.36	26.01	41.97	49.65	47.01	40.66	42.97
17.19	16.57	14.54	27.29	25.33	21.15	23.23
18.17	9.44	27.43	22.36	21.68	19.51	19.74
3.58	8.36	2.84	1.33	1.68	2.17	3.10
1.92	3.69	1.18	0.65	0.85	0.79	0.67
1.66	4.67	1.66	0.68	0.83	1.38	2.43
30.52	22.80	50.92	35.27	37.12	36.21	27.84
5.93	1.77	3.29	6.92	6.10	15.64	0.74
100.00	100.00	100.00	100.00	100.00	100.00	100.00
7.30	0.00	0.35	3.66	4.98	4.45	6.07
20.62	7.48	12.03	13.70	11.81	8.17	17.42
5.92	18.43	18.20	10.64	11.26	12.09	8.04
33.84	25.91	30.56	28.00	28.05	24.71	31.53
29.33	20.26	21.30	19.57	7.87	24.94	11.21
63.17	46.17	51.86	47.57	35.92	49.65	42.74
36.83	53.83	48.14	52.43	64.08	50.35	57.26
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.88	2.91	1.50	2.06	2.02	1.95	2.27
1.54	2.03	1.13	1.44	1.46	1.14	1.18
1.71	0.86	1.08	0.91	0.56	0.99	0.75
0.80	0.38	0.44	0.37	0.12	0.50	0.20
0.49	0.64	0.35	0.55	0.54	0.52	0.54

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 56,966	$ 67,764	$ 38,189	$ 46,430
Average assets per factory employee (Excluding Executives)	107,187	115,967	46,076	53,531
Average net worth per employee - All employees	21,700	33,167	18,340	24,722
Average gross plant investment per factory employee (Excluding Executives)	65,397	78,120	36,696	41,141
Net worth percentage of fixed assets	110.59%	130.04%	139.29%	150.03%
EMPLOYEES				
Percent factory - All employees	81.73%	82.76%	87.27%	89.29%
Percent administrative - All employees	8.84	8.39	7.48	6.03
Percent sales - All employees	9.43	8.85	5.25	4.68
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 100,817	$ 119,692	$ 69,871	$ 72,342
Sales per factory employee	146,105	165,293	80,697	81,786
Sales less material per factory employee	82,831	94,461	46,583	48,741
Sales per administrative employee	1,306,421	1,614,357	1,084,946	1,349,180
EXCLUDING EXECUTIVES				
Sales per employee - All employees	110,641	132,719	73,519	75,742
Sales per factory employee	185,739	202,616	83,986	84,605
Sales less material per factory employee	105,899	116,172	48,355	50,242
SALES PER SALESMAN	1,325,994	1,649,053	3,302,527	3,419,012
SALES TO CURRENT ASSETS	348%	365%	399%	327%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.07%	32.08%	35.69%	34.28%
Factory payroll percentage of gross plant investment	76.79	70.69	73.36	64.81
Payroll per employee - All employees	$ 34,025	$ 37,738	$ 24,437	$ 24,229
Payroll per factory employee	37,322	41,712	23,283	22,325
Payroll per administrative employee	32,773	33,398	28,856	33,677
Payroll per sales employee	54,882	58,821	45,160	52,043
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 28,543	$ 32,196	$ 19,331	$ 19,114
Payroll per factory employee	37,153	41,284	18,958	18,423
Payroll per administrative employee	16,730	16,768	14,943	14,088
Payroll per sales employee	46,908	51,970	37,587	42,618
EXECUTIVE PAYROLL				
Payroll per executive - All executives	60,754	51,897	49,167	60,787
Payroll per factory executive	43,293	36,962	37,027	36,911
Payroll per administrative executive	81,578	66,761	64,235	80,244
Payroll per sales executive	70,602	56,980	53,921	61,413
RECEIVABLES				
Collection period	65.9	61.5	52.1	54.4
PROFIT				
Gross profit percentage of sales	20.24%	23.20%	16.94%	20.94%
Average gross profit per factory employee	$ 37,894	$ 41,804	$ 13,906	$ 17,160
Income before taxes percentage of sales	6.20%	11.53%	6.77%	11.64%
Average income before taxes per employee	$ 6,646	$ 13,479	$ 4,598	$ 8,159

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 52,791	$ 49,164	$ 69,101	$ 39,139	$ 28,829	$ 58,542	$ 28,738
69,663	86,229	82,200	48,890	36,718	77,207	35,530
18,398	26,439	34,898	19,882	18,783	23,494	17,203
37,833	35,872	57,368	33,107	26,311	41,308	18,404
138.06%	340.90%	109.91%	162.70%	191.05%	132.93%	229.93%
78.81%	69.78%	85.07%	82.38%	83.15%	83.78%	81.16%
17.47	20.15	10.62	10.31	8.47	8.13	9.42
3.72	10.07	4.31	7.31	8.38	8.09	9.42
$ 91,680	$ 92,058	$ 123,736	$ 64,538	$ 54,968	$ 74,387	$ 72,526
117,475	138,945	140,283	79,119	66,174	90,615	89,067
61,421	111,164	61,612	44,009	42,672	54,190	48,318
932,235	711,578	1,884,069	706,807	663,767	1,765,729	824,536
97,546	104,726	127,598	67,810	58,858	78,943	74,598
121,422	168,133	142,261	81,639	69,913	94,511	89,715
63,140	135,747	62,435	45,548	45,046	56,486	48,667
1,816,063	0	1,318,906	1,290,962	1,170,244	832,276	1,061,968
315%	249%	362%	339%	344%	357%	361%
28.56%	44.96%	21.94%	35.30%	39.17%	42.47%	34.61%
84.26	175.85	44.72	74.41	80.32	80.14	138.07
$ 25,563	$ 41,785	$ 23,749	$ 21,302	$ 21,124	$ 30,956	$ 24,141
24,715	48,701	22,761	19,994	19,300	28,577	23,070
29,317	24,845	16,865	24,876	26,178	45,282	26,705
38,399	67,743	59,898	43,386	38,341	49,855	30,787
$ 21,306	$ 32,025	$ 19,073	$ 16,360	$ 15,973	$ 21,830	$ 18,764
21,397	37,996	18,337	15,751	14,868	20,655	18,537
16,997	14,381	11,335	14,346	14,988	9,570	18,082
32,085	64,160	58,376	34,975	31,451	35,619	21,332
49,181	38,265	55,746	47,590	35,620	68,451	88,712
45,775	31,685	48,201	46,835	28,575	30,994	92,505
54,872	82,746	33,722	55,365	57,676	86,029	85,633
42,850	49,788	0	49,295	51,999	73,148	88,068
91.6	107.0	52.1	64.9	66.2	35.8	51.8
18.52%	31.39%	19.88%	19.27%	23.35%	17.33%	16.32%
$ 22,923	$ 59,578	$ 28,679	$ 15,419	$ 16,459	$ 17,449	$ 14,015
4.79%	8.79%	6.91%	6.75%	10.98%	1.76%	4.11%
$ 4,221	$ 9,400	$ 12,425	$ 4,388	$ 6,133	$ 1,243	$ 3,186

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.63	$ 1.49	$ 2.38	$ 4.74
Receivables	17.60	16.51	13.73	14.40
Inventories	8.60	8.31	7.42	6.68
Marketable securities	0.84	1.18	1.75	4.96
Other current assets	1.25	1.32	1.51	1.41
	29.92	28.81	26.79	32.19
Plant Investment:				
Land and building	6.63	5.97	8.00	7.89
Machinery and equipment	30.12	31.51	34.30	40.53
Other fixed assets	1.78	1.83	1.92	0.86
	38.53	39.31	44.22	49.28
Non-Current Assets	2.68	2.20	3.30	3.50
TOTAL INVESTMENT	71.13	70.32	74.31	84.97
INVESTMENT TURNOVER PER $100 OF SALES	140.59%	142.21%	134.57%	117.69%
EARNINGS				
Cost of Product	$79.76	$76.80	$83.06	$79.06
Selling Expenses	7.39	6.52	4.23	4.48
Administrative Expenses	5.47	4.84	4.99	4.47
	92.62	88.16	92.28	88.01
Income Before Interest, Other Income (Expense), and Taxes	7.38	11.84	7.72	11.99
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	10.38%	16.84%	10.39%	14.11%

** Sample insufficient for "Profit Leaders."

NEWSPAPER**	FINANCIAL**	CATALOG AND DIRECTORY**	BOOK		TAG AND LABEL**	PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 4.72	$(0.13)	$ 5.74	$(0.25)	$ 0.74	$ 0.16	$ 0.35
24.55	26.36	13.79	17.29	17.64	9.66	13.72
6.06	12.85	6.16	9.77	8.30	12.11	14.19
0.68	0.00	0.00	1.38	2.69	15.22	0.00
0.97	1.08	2.89	4.30	0.64	0.75	0.45
36.98	40.16	28.58	32.49	30.01	37.90	28.71
7.49	6.91	19.71	11.07	13.04	14.96	4.65
20.36	15.01	31.26	27.87	24.53	26.40	17.81
1.94	4.20	2.14	0.90	0.95	2.04	1.12
29.79	26.12	53.11	39.84	38.52	43.40	23.58
3.56	1.02	3.30	4.88	3.88	14.60	0.30
70.33	67.30	84.99	77.21	72.41	95.90	52.59
142.19%	148.59%	117.66%	129.52%	138.10%	104.28%	190.15%
$81.48	$68.61	$80.12	$80.73	$76.65	$82.67	$83.68
2.92	10.17	3.72	5.78	7.02	5.45	6.50
8.86	8.36	7.02	6.88	6.76	5.54	6.02
93.26	87.14	90.86	93.39	90.43	93.66	96.20
6.74	12.86	9.14	6.61	9.57	6.34	3.80
9.58%	19.11%	10.75%	8.56%	13.22%	6.61%	7.23%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	104	$13,696,000	$24,249,000	$1,590,000
TOTAL - PROFIT LEADERS*	36	13,261,000	23,397,000	2,694,000
BY SIZE OF FIRM				
ALL FIRMS				
$10,000,000-$20,000,000	58	8,039,000	14,095,000	834,000
$20,000,000-$40,000,000	38	15,980,000	28,184,000	1,855,000
$40,000,000-$80,000,000	5	31,302,000	51,233,000	4,488,000
PROFIT LEADERS				
$10,000,000-$20,000,000	19	9,019,000	14,720,000	1,730,000
$20,000,000-$40,000,000	14	15,680,000	28,676,000	3,222,000
$40,000,000-$80,000,000	3	28,839,000	53,719,000	6,332,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	43	11,864,000	21,121,000	1,391,000
Magazine and Periodical	26	16,685,000	32,420,000	2,317,000
Newspaper	4	10,881,000	19,913,000	1,012,000
Financial***	2	19,115,000	34,393,000	2,726,000
Catalog and Directory	2	12,439,000	15,391,000	720,000
Book	10	12,959,000	20,476,000	1,357,000
Tag and Label	3	15,481,000	18,583,000	340,000
PROFIT LEADERS				
Commercial and Advertising	16	12,295,000	22,387,000	2,612,000
Magazine and Periodical	9	18,609,000	29,596,000	3,311,000
Book	5	10,035,000	18,823,000	1,919,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 35.
*** "All Firms" are the same as "Profit Leaders."

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	